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GOVERNMENT OF INDIA

MINISTRY OF COMMERCE**RESOLUTION****TARIFFS***New Delhi, the 11th December 1948*

No. 218-T.II(13)/48.—In their Resolution No. 134-T. (19)/47, dated the 10th April 1948, in the Ministry of Commerce, the Government of India requested the Tariff Board to examine and report whether protection for the magnesium chloride industry should be continued after the 31st March 1949, and if so, to what extent. The Board, having conducted an enquiry, has submitted its report. Its main recommendations are as follows:—

- (i) The industry is no longer in need of protection. The existing protective duty should therefore be removed and a revenue duty imposed in its place. In the event of unequal competition from foreign countries, the industry should be assured that the question of protecting the industry would be favourably and expeditiously considered.
- (ii) If the recommendation regarding the withdrawal of the protective duty is accepted, the entry in the third column against item No. 28(5) in the First Schedule to the Indian Tariff Act, 1934, should be altered from "Protective" to "Revenue".
- (iii) There is a great scope for the development of the export trade in Magnesium Chloride. Government should give all possible facilities for the development of this export trade.
- (iv) Adequate supply of raw-materials for the manufacture of containers, pans, etc., should be made available to the industry as far as practicable and the question of granting railway priorities for the movement of goods should be favourably considered by the Railway authorities, if and when approached by the firms. The industry is not at present exposed to foreign competition in the country and there is no ground for granting special freight rates to the industry.
- (v) Government should decide the question of the renewal of the lease of "bitterness" to Pioneer Magnesia Works as early as possible. Pioneer Magnesia Works has shown considerable initiative and enterprise in developing this industry; it has, therefore, a strong claim to a further renewal of the lease. Should Government decide in favour of renewing the lease to the present firm, such a renewal must be subject to the firm converting itself into a public limited company.

2. The Government of India accept recommendations (i) and (ii) and will introduce necessary legislation to replace the existing protective duty on Magnesium Chloride by a revenue duty as from the 1st April, 1949.

3. The Government of India also accept recommendations (iii) and (iv) of the Board and requests in this behalf from the industry will receive favourable consideration.

4. Recommendation (v) is under active consideration in the Ministry of Industry and Supply.

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ORDER

ORDERED that a copy of this Resolution be communicated to all Provincial Governments, all Chief Commissioners, Ministry of External Affairs (External Affairs Wing), Ministry of External Affairs (Commonwealth Relations Wing), and the several Ministries of the Government of India, Prime Minister's Secretariat, Cabinet Sectt., the Private and Military Secretaries to His Excellency the Governor-General, the Central Board of Revenue, the Auditor General, the Director-General of Employment and Resettlement, the Director General, Industry and Supply, the High Commissioner for India in London, the Economic Adviser to the Government of India, the Director General of Commercial Intelligence and Statistics, Calcutta, the Indian Trade Commissioner, London, the Indian Trade Commissioners, at New York, Buenos Aires, Toronto, Alexandria, Colombo, Paris, Mombasa, Tehran and Sydney, His Majesty's Senior Trade Commissioner in India, the United States Embassy, New Delhi, the Canadian Trade Commissioner in India, the Australian Trade Commissioner in India, Norwegian Consul General, Bombay, the High Commissioner for India in Pakistan, Karachi, the High Commissioner for Pakistan in India, New Delhi, the Secretary, Indian Tariff Board, Bombay, the Secretary, Industrial Finance Corporation of India, New Delhi, and all recognised Chambers of Commerce and Associations.

ORDERED that a copy be communicated to the Government of Burma.

ORDERED also that it be published in the *Gazette of India*.

S. RANGANATHAN, Joint Secy.